



Deputy National Taxpayer Advocate

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## MEMORANDUM FOR TAXPAYER ADVOCATE SERVICE EMPLOYEES

FROM: Melissa R. Snell /s/ *Melissa R. Snell*  
Deputy National Taxpayer Advocate

SUBJECT: Guidance on Handling Bulk Receipts Received by the  
Delaware Local Taxpayer Advocate

The purpose of this memorandum is to provide information and guidance regarding the handling and resolution of 329 cases received by TAS in the Delaware local office.

### **Background**

On April 17, 2006, a large financial institution in Delaware filed 329 Form 1041, "Estate and Gift Tax Returns". A return receipt was requested by the institution and verified that the Cincinnati Campus received the returns and payments on April 17, 2006. This is considered timely. However, the 329 accounts were stamped as received after the April 17, 2006 date. Penalties for late filing of the returns, late payment of tax and interest were assessed and notices were issued by Internal Revenue Service (IRS). The vice president of the bank has tried to get this problem resolved but has been unsuccessful. The Local Taxpayer Advocate in Wilmington, Delaware received a single case on this issue that was initiated by the National Taxpayer Advocate hotline. From this contact a determination was made that there were numerous taxpayers impacted.

### **Guidance**

The 329 accounts meet Taxpayer Advocate Service (TAS) criteria. The major issues encountered which must be resolved is that the bulk receipts must be input into TAMIS, and the late filing and late payment penalties along with interest issues must be resolved. Additionally, some of these cases are in IRS Collection and Penalty Appeals status. To ensure customer satisfaction and consistency in the handling of these cases, TAS recognizes that the cases need to be worked at one single location.

To resolve these problems, the Local Taxpayer Advocate (LTA) at the Ogden, Utah Campus, Organization Code 29, will input all of the cases into TAMIS and will work all issues. TAMIS Local Use Code "BLKDE" will be used to identify these cases.

The IRS Penalty Prevention and Resolution Group in Ogden have agreed to resolve the various issues identified by the Ogden LTA office. My thanks to the Ogden LTA for taking on this important assignment.

If you have any cases in your inventory that may be linked to any Delaware cases regarding Estate and Gift Tax returns, please contact the Ogden LTA for assistance. You may also contact Esther Thomas of the Technical Analysis and Guidance Group.